

# 2010 Single Family Request for Proposal (RFP)

## Consolidated Application Guide and Instructions

Minnesota Housing, in partnership with Greater Minnesota Housing Fund, Family Housing Fund, Metropolitan Council, Minnesota Department of Corrections and Department of Employment and Economic Development announce the availability of funds through a Consolidated Request for Proposal.

All applicants must complete the Single Family Standard Application Request for Proposal (SF RFP). A list of the required attachments is found in Section E. of the SF RFP. A check list is provided to assist you with compiling your application, required documentation, attachments, and supplemental applications. If you are applying for Land Acquisition for Affordable New Development (LAAND) or are a Community Land Trust or Housing Cooperative complete and submit the appropriate Supplemental Application along with the SF RFP.

The SF RFP application materials, attachments, Supplemental Applications, funding partner information/application materials are found on the RFP webpage at:

<http://www.mnhousing.gov/resources/apply/rfp/index.aspx>

**Note:** Some partners require additional information to the SF RFP. Their application/information is also listed on the RFP web page above.

Pre-approved GMHF's Building Better Neighborhoods (BBN) program plans addressing Green housing standards are available from Greater Minnesota Housing Fund free of charge at [www.gmhf.com](http://www.gmhf.com)

### Deadline and Application Submission Instructions

A SF RFP check list is provided, please use it when preparing and submitting your application. The check list should be used as a cover sheet to your SF RFP package.

The SF RFP, required documentation, attachments, and supplemental applications must be submitted both via mail and electronically. See electronic upload instructions below. **Both** mail and electronic applications must be received on or before **5:00 p.m. Thursday, June 24, 2010** at Minnesota Housing.

The electronic upload allows administrators a fast and easy way to electronically submit the SF RFP application package via the Internet. **Upload** one electronic copy of the SF RFP; include all required attachments and supplements, as applicable.

1. Visit the following website: <http://www.mnhousing.gov/login/index.aspx>, then click on: **Single Family Standard Application Request for Proposal (SF RFP) Upload**
2. Enter your E-Mail address, agree to the Terms and Conditions, then click on Sign In
3. Once logged in, enter your Organization Name and SF RFP. Abbreviate the organization name if necessary.
4. See allowed file types on the Upload page. **The SF RFP / Supplements must be sent as Word document file types only.**
5. To select a file for upload, click on the Browse button. Name each attachment so it is easily distinguished from the other attachments (Attachment A, Attachment B, etc.).

6. To select additional files, you may click Browse again.
7. Once all files are selected, click on the Upload Files button.
8. A box will appear confirming All files successfully uploaded.
9. Click on Log Out.

**AND,**

- **Mail** 1 original and 1 copy of the SF RFP, including all required attachments and supplements to:

**Minnesota Housing  
Attn: Single Family RFP Application  
400 Sibley St., Suite #300  
St. Paul, MN 55101**

Faxed or late applications will not be accepted.

**Technical Assistance Materials**

Minnesota Housing will conduct SF RFP technical assistance sessions in May. Check the RFP web page at <http://www.mnhousing.gov/resources/apply/rfp/index.aspx> to register. Applicants are encouraged to review all of the application materials prior to attending a technical assistance session.

## **Eligible Applicants**

Refer to the Community Revitalization Fund (CRV) Program Concept and Minnesota Housing's RFP partners' program-specific concept on the SF RFP web page for the specific list of eligible applicants. All applicants are encouraged to form implementation partnerships with one or more entities to achieve the objective(s) stated in the proposal. Proposals submitted by these partnerships must provide evidence of committed leveraged funds and/or resources other than the funds offered in the SF RFP. SF RFP funds can be used in conjunction with other local, state, federal and Minnesota Housing resources.

Please be aware of a change in regulatory requirements which is anticipated to be signed into law July, 2010 that could impact organizations seeking funds to administer affordability gap loans. The SAFE Act is designed to enhance consumer protection and reduce fraud by encouraging states to establish minimum standards for the licensing and registration of state-licensed mortgage loan originators and for the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) to establish and maintain a nationwide mortgage licensing system and registry for the residential mortgage industry. As final regulatory requirement rulings and their impact on CRV administrators become clear, Minnesota Housing reserves the right to make modifications to CRV loan awards as needed. Absent significant regulatory requirement changes, it is anticipated that funding will be delivered according to the current protocol.

More information on the Safe Act can be found on HUD's website at:  
<http://www.hud.gov/offices/hsg/ramh/safe/smllicact.cfm>

## Available Funding

Based upon legislative approval, Minnesota Housing expects that approximately \$12 million will be available for both Single Family and Multi-family proposals under the Challenge Fund, of which \$1.395 million is set-aside for Indian housing. In addition, approximately \$3 million in interim financing is available through the SF RFP.

## Guidance to Applicants – Investment of CRV Funds

While the need for more affordable housing in Minnesota is great and growing, financial resources are limited and highly competitive. As a result, Minnesota Housing must ensure that its funds are used efficiently and effectively, which involves choosing the right type of housing project in the right community and market for the right type of households.

Under Minnesota Rule 4900.3648 subp. 2.b., when assessing CRV funding applications, Minnesota Housing will determine “whether the proposed housing is needed in the market that is intended to be served, based upon the population, job growth, and low housing vacancy rates” when assessing project feasibility.

The following is offered as guidance to applications regarding selection of applications and likely investment of CRV funds.

- Foreclosure remediation proposals are a funding priority. Priority for selection includes:
  - i) Acquire and/or rehabilitate a foreclosed property located in a designated high-impact foreclosure zip code.
  - ii) Acquire and/or rehabilitate a foreclosed property that is not located in a high-impact foreclosure zip code but is located in a target area outside a high-impact zip code if the three-year sheriff-sales rate for the target area is above 10% and if the target area contains a minimum of 200 residential parcels
  - iii) Acquire and/or rehabilitate a property that is located in a high-impact foreclosure zip code.

This priority is closely linked with community stabilization but focuses on the destabilizing effects of the foreclosure crisis rather than other destabilizing effects. CRV applicants should concentrate their investments in a targeted neighborhood to bring about economic revitalization. The investment needs to be of sufficient magnitude and concentration to reach the tipping point where revitalization occurs. See Minnesota Housing’s map of zip codes that have been significantly impacted by the foreclosure crisis at:

[http://www.mnhousing.gov/resources/apply/multifamily/MHFA\\_009340.aspx](http://www.mnhousing.gov/resources/apply/multifamily/MHFA_009340.aspx)

Only projects in these zip codes or areas that meet an alternative test (see Section below: Foreclosure Priority Areas) will get foreclosure remediation points in the scoring/selection process. Nevertheless, foreclosure remediation can be a goal in other areas, but these projects will not receive points in the scoring/selection process.

- It is unlikely that the Agency will be funding downpayment assistance proposals for foreclosure remediation given other available resources for such purposes.
- Transit-oriented development is a priority. Minnesota Housing encourages proposed activities that are in close proximity to specific fixed-route transit stops and park-and-

ride lots in the Twin Cities metropolitan area and to fixed-route transit stops in Greater Minnesota.

- Proposals that promote economic integration are a priority. The proposed activity provides community economic integration by providing housing located in a neighborhood with average incomes as published by the Department of Revenue data that are 150% or more above the HUD established area median family income.
- Proposals that are development ready and stimulate job growth are a priority; attention will be given to proposals that leverage federal stimulus funding.
- Proposals will be carefully reviewed for cost containment given overall economic circumstances.
- Minnesota Housing encourages proposals for property rehabilitation proposals that leverage other existing resources, including the Fix-Up Fund and Community Fix-Up Fund.
- Generally, it is unlikely that the Agency will fund proposals for new construction given available existing housing inventory throughout the state. However, the Agency may fund proposals to encourage sale of previously unoccupied, existing newly construction homes.

### **Foreclosure Priority Areas:**

Based on zip code data purchased from LPS Applied Analytics, Minnesota Housing identified the 122 residential zip codes (out of 872 statewide) with the greatest foreclosure need. Need was based on each zip code's:

- Foreclosure/REO rate,
- Delinquency rate,
- Unemployment rate (for the county in which the zip code is located), and
- Proportion of non-prime, ARMs (adjustable rate mortgages) that have not yet reached their reset date.

Each factor received the following weights:

- |                                  |     |
|----------------------------------|-----|
| • Foreclosure/REO:               | 60% |
| • Delinquency:                   | 20% |
| • Unemployment:                  | 10% |
| • Non-prime ARMs Still to Reset: | 10% |

Because zip codes can contain up to 20,000 households, some high need areas are not identified by the zip code analysis. One section of a zip code may have a very high foreclosure rate, while the remaining parts of the same zip code may have a low rate, giving the zip code a lower foreclosure rate overall. To account for this shortcoming in the analysis, an applicant working outside one of the 122 zip codes can still receive credit for the foreclosure priority if the development is in a community or neighborhood with at least a 10% sheriff-sales rate. The rate is calculated by identifying the community or neighborhood around the development and computing the number of residential sheriff sales that occurred during 2007, 2008, and 2009 in the community or neighborhood and then dividing the three year total by the number of residential parcels in the community or neighborhood.

To be eligible for the foreclosure priority, **the community or neighborhood boundaries must be acceptable to Minnesota Housing and contain at least 200 residential parcels.** Each applicant seeking credit for a development in a high-need foreclosure area must provide the following information:

1. A map showing the boundaries of the community or neighborhood and the development's location within it;
2. The number of sheriff sales that occurred in the identified community or neighborhood during 2007, 2008, and 2009 (with a separate figure for each year), and
3. The number of residential parcels in the identified community or neighborhood (not the number of residential households).

Finally, new subdivisions that are partially completed are not eligible to be counted in the sheriff sales calculation. A partially-completed, new subdivision is defined as a development where less than 90% of the lots have been fully developed with a residential structure and are ready to be occupied or less than 90% of the fully-developed residential structures have been occupied at some point.

## Ongoing Fund Program Information

Minnesota Housing offers homeownership and home improvement programs to support the Community Revitalization Fund (CRV). Your organization may apply for any of the following Minnesota Housing programs at any time during the year. Applications for these programs are not included in this RFP. Contact any of the Minnesota Housing staff listed below for additional information.

- **Community Activity Set Aside Program (CASA)**  
GMHF's BBN projects are automatically eligible for first mortgages and enhancements from the Minnesota Housing's CASA program.
- **Community Fix-up Fund (CFUF)/ Fix-up Fund (FUF)**

PROGRAM CONTACTS			
Region	Contact	Email	Phone
Twin Cities Metropolitan and Southwest Region	Any Rep Listed Below		
Central Region	Jonathan Stanley	<a href="mailto:Jonathan.A.Stanley@state.mn.us">Jonathan.A.Stanley@state.mn.us</a>	(651) 297-3656
Northeast Region	Devon Pohlman	<a href="mailto:devon.pohlman@state.mn.us">devon.pohlman@state.mn.us</a>	(651) 296-8255
Northwest Region	Chuck Callender	<a href="mailto:chuck.callender@state.mn.us">chuck.callender@state.mn.us</a>	(651) 296-8843
Southeast Region	Cheryl Rice	<a href="mailto:cheryl.rice@state.mn.us">cheryl.rice@state.mn.us</a>	(651) 297-3124
West Central Region	Michael Nguyen	<a href="mailto:michael.nguyen@state.mn.us">michael.nguyen@state.mn.us</a>	(651) 296-7620

### **Institution Community Work Crew (ICWC) Affordable House Building Program**

This program provides interest-free, interim construction financing, but only to nonprofit entities. A letter from the MNDOC must be attached to your proposal indicating if an ICWC program is or will be available in the area you have identified. Contact the Program Manager for future availability of funds.

Program Contact: Ron Solheid at Minnesota Department of Corrections  
Phone (651) 361-7123  
[ron.solheid@state.mn.us](mailto:ron.solheid@state.mn.us)

## **Definitions**

The following is a list of several terms and definitions found in the Standard Application.

**Affordable to the local workforce.** The amount of rent or housing payments made by the occupants of housing funded is affordable based on the wages of the jobs being created or retained in the local area ("local area" is defined below), the fastest growing jobs in the local area, the jobs with the most openings in the local area, or the wages of the workforce employed by organizations making contributions under this program. Rent or housing payments are affordable if they do not exceed 30 percent of the wages being paid in the local area, as the wages are described in the proposal.

**Contract ID number.** The award number used by Minnesota Housing to track previous CRV funded awards.

**Collaborative application.** An application where two or more entities will be directly administering CRV funds and the following principles are incorporated into the proposal:

- Clear definition of the role of collaborating partners;
- Identification of clear geographies served and housing activities initiated by the collaborating partners;
- Identification of complimentary activities or program design by the collaborative;
- Overall benefit to the community/region through the use of a collaborative planning process, proposal, application, funding and evaluation of how the housing needs were met.

**Development Readiness.** A proposal is considered development ready when the project/activity/program has all its components in place, site control has been obtained, nearing completion or obtainable in approximately a few months, if applicable. The proposed project/activity/program should begin within a few months, at the latest, of Funding Agreement execution.

**Implementation partners.** Any partner(s) the applicant has assembled to assist in the development, building, marketing, homeowner education or other aspects of the proposed housing activity.

**Foreclosure:** Foreclosed property means the project's real estate and improvements acquired by applicant by way of a deed-in-lieu of foreclosure, short sale, sheriff's certificate or court order through a foreclosure proceeding, or are located in a zip code identified by Minnesota Housing that has been heavily impacted by the foreclosure crisis. In cases where the project involves a

foreclosed property, the proposed project cannot be a conversion from another use, such as a hospital or school.

**Leverage.** Financial commitments made in support of the proposed housing activity.

**Local area.** The geographic area in Minnesota where the proposed housing activity will occur.

**Owner-occupied housing.** Housing that is the principal place of residence for the owner and the owner's household. Housing that is primarily intended to be used in a trade or business, as an investment property, or as a recreational home is not owner-occupied housing. A property with rental housing units qualifies as owner-occupied housing if the property includes no more than four housing units, at least one of which is occupied by the property's owner as their principal place of residence.

**Proposed housing activity.** The type of housing activity proposed by the applicant which is typically acquisition, rehabilitation, resale; owner-occupied rehabilitation; acquisition/demolition; new construction or another activity that supports homeownership.

**Sustainability.** Minnesota Housing encourages sustainable, healthy housing that optimizes the use of cost effective durable building materials and systems and that minimizes the consumption of natural resources both during construction or rehabilitation and in the long term maintenance and operation. We encourage optimizing the use of renewable resources and energy, minimizing damages and impact to the environment, and maximizing the use of natural amenities such as (solar, wind, climate, and orientation) of the development site.

**Underserved population.** Emerging markets (households of color or Hispanic ethnicity), households containing a member with a disability, or single-headed households.

**Visitability.** Designs that allow persons with mobility impairments to enter and stay, but not live, in a residence. There are three specific design elements that must be incorporated in the dwelling to satisfy the state visitability requirement. The dwelling must include:

- 1) at least one no-step entrance;
- 2) 32-inch clear opening doorways;
- 3) at least a one-half bathroom on the main level that meets minimum clear floor space for half baths as required by Fair Housing Act Part B: Usable Bathrooms.

## Approval Date and Fund Notification

### Board Approval

- Recommendations for Minnesota Housing's Single Family proposal selection will be made at the October 2010 Minnesota Housing Board meeting.
- Funding partners' single-family proposal recommendations will be presented at their individual board meetings.

### Fund Notification

- Notification of Minnesota Housing's Single Family RFP selected proposals will be posted on Minnesota Housing's website the Monday following the Board meeting. Agreements will be mailed to the applicant within 20 working days of Minnesota Housing's Board date.
- If awarded funds from a Minnesota Housing funding partner, notification will come from the funding partner directly, after their respective Board meeting.

This request for proposal is subject to all applicable federal, state, and municipal laws, rules, and regulations. Minnesota Housing reserves the right to modify or withdraw this RFP at any time and is not able to reimburse any applicant for costs incurred in the preparation or submittal of proposals.

It is the policy of Minnesota Housing to further fair housing opportunity in all of Minnesota Housing's programs and to administer its housing programs affirmatively, so that all Minnesotans of similar income levels have equal access to Agency programs regardless of race, color, creed, religion, national origin, sex, sexual orientation, marital status, status with regard to receipt of public assistance, disability, or family status.

## Contacts

Contact any member of the Minnesota Housing staff listed below regarding questions related to the application features, technical assistance or if you encounter difficulty accessing application.

### CRV:

Terry Hanna, (651) 296-9567

[terry.hanna@state.mn.us](mailto:terry.hanna@state.mn.us)

Nancy Slattsveen, (651) 296-7994

[nancy.slattsveen@state.mn.us](mailto:nancy.slattsveen@state.mn.us)

Devon Pohlman, (651) 296-8255

[devon.pohlman@state.mn.us](mailto:devon.pohlman@state.mn.us)

### Indian Housing:

Rick Smith (651) 297-4060

[smith.rickp@state.mn.us](mailto:smith.rickp@state.mn.us)

### LAAND:

Carol Dixon, (651) 296-0756

[carol.dixon@state.mn.us](mailto:carol.dixon@state.mn.us)